



Greenfield Environmental Multistate Trust LLC,
Trustee of the Multistate Environmental Response Trust
By Greenfield Environmental Trust Group, Inc., Member
P.O. Box 1189 Helena, Montana 59624
Telephone: (406)457-2142
Email: jr@g-etg.com

November 19, 2019

By Electronic Mail

Robert Yalen
U.S. Department of Justice

Alan Tenenbaum
U.S. Department of Justice

Erica Pencak
U.S. Environmental Protection Agency

Beata Gruszeka
U.S. Environmental Protection Agency

Hollis Luzecky
U.S. Environmental Protection Agency

Frederick Phillips
U.S. Department of Justice

Subject: Third Quarter 2019 Financial Statements

Greenfield Environmental Multistate Trust, LLC, Trustee of the Multistate Environmental Response Trust (the Multistate Trust), hereby submits the attached financial statements for the Multistate Trust - Multistate Administrative Account Account to the beneficiaries.

The attached financial statements cover the nine months ended September 30, 2019 and the year ended December 31, 2018 and are submitted pursuant to the Multistate Trust's obligations under ¶6.1 of the Environmental Response Trust Agreement.

This report is intended solely for the information and use of the Multistate Trust, the Trustee, the United States, and the State Beneficiaries of the Multistate Trust and is not intended to be and should not be used by anyone other than these specified parties. This restriction is not intended to limit distribution of this report, which distributing to the United States and/or State Beneficiaries, may render it a matter of public record.

Please do not hesitate to contact me or Cindy Brooks with any questions pertaining to the attached.

Sincerely,

Greenfield Environmental Multistate Trust, LLC
Trustee of the Multistate Environmental Response Trust
By: Greenfield Environmental Trust Group, Inc., Member

A handwritten signature in blue ink that reads 'Jen Roberts, CPA'. Below the signature is a horizontal line.

Name: Jennifer Roberts, CPA
Title: Director of Financial Affairs

Enclosure

cc: Cynthia Brooks



Wipfli LLP
P.O. Box 1699
Helena, MT 59624
910 North Last Chance Gulch
Helena, MT 59601
406.442.5520
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Accountant's Compilation Report

To the Trustees and Beneficiaries
Greenfield Environmental Multistate Trust Group LLC
Trustee for the Multistate Environmental Response Trust (Multistate Trust)

Site: Multistate Administrative Account

The Trustees are responsible for the accompanying special purpose financial statements of the Multistate Trust Site, which comprise the statements of net trust assets as of September 30, 2019 and December 31, 2018, and the related statements of changes in net trust assets for the nine months ended September 30, 2019 and the year ended December 31, 2018, and for determining that the special purpose basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with *Statements on Standards for Accounting and Review Services* promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by the trustees. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The financial statements are prepared in accordance with the special purpose basis of accounting in accordance with the requirements of the Trust's obligations under ¶16.1 of the Environmental Response Trust Agreement, which is a basis of accounting other than accounting principles generally accepted in the United States.

Management has elected to omit substantially all the disclosures ordinarily included in financial statements prepared in accordance with the prescribed format basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Trust's assets, liabilities, net assets, additions, and deductions. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Supplementary Information

The Quarterly Investment Presentation and Budget to Actual supplementary information is presented for purposes of additional analysis and is not a required part of the special purpose financial statements. This information is the representation of the trustees. The information was subject to our compilation engagements; however, we have not audited or reviewed the supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such supplementary information.

We are not independent with respect to Multistate Environmental Response Trust.

Wipfli LLP

Wipfli LLP
November 19, 2019
Helena, MT

Multistate Environmental Response Trust
Multistate Trust Administrative Account (AA)
Statements of Net Trust Assets
As of September 30, 2019 and December 31, 2018

| Assets | <u>9/30/2019</u> | <u>12/31/2018*</u> |
|--------------------------------------|-------------------------|-------------------------|
| Cash | \$ 220,779.48 | \$ 485,023.50 |
| Due From Other Funds: | | |
| Cost of Property Sale Reimbursement | - | 191,669.25 |
| Other | 25,560.62 | 19,559.28 |
| Investments | 47,013,095.17 | 48,435,250.59 |
| Total Assets | <u>\$ 47,259,435.27</u> | <u>\$ 49,131,502.62</u> |
| | | |
| Liabilities | | |
| Accounts Payable | \$ 321,272.64 | \$ 293,082.52 |
| Due to Other Funds | 247,552.86 | 260,922.48 |
| | | |
| Net Trust Assets, Administrative | 46,690,609.77 | 48,577,497.62 |
| Total Liabilities & Net Trust Assets | <u>\$ 47,259,435.27</u> | <u>\$ 49,131,502.62</u> |

Statements of Changes in Net Trust Assets
For the Nine Months Ended September 30, 2019 and the Year Ended December 31, 2018

| | <u>Nine Months Ended 9/30/2019</u> | <u>Year Ended 12/31/2018*</u> |
|---|--|-----------------------------------|
| Deductions from Net Trust Assets: | | |
| 1.A - Financial Affairs | \$ 517,417.68 | \$ 720,140.44 |
| 1.B - Taxes | 165,558.93 | 547,945.85 |
| 1.C - Site Security & Property Mgmt | 439,991.01 | 495,595.03 |
| 1.D - Insurance | 174,402.27 | 166,545.23 |
| 1.E - Project Fees & Expenses | 609,946.86 | 625,449.71 |
| 1.F - Legal Affairs | 349,980.83 | 409,212.99 |
| 1.G - Overall Trust IT, Records & Docs | 45,537.02 | 60,032.78 |
| 1.K - 3% Other Sites Admin | 165,895.94 | 243,452.50 |
| 1.L - Property Dispositions: Internal Costs | 447,934.61 | 489,507.63 |
| 1.L - Property Dispositions: External Costs | 94,720.40 | - |
| Total Deductions from Net Trust Assets | <u>3,011,385.55</u> | <u>3,757,882.16</u> |
| | | |
| Additions (decreases) to Net Trust Assets: | | |
| I - Leases Income (expenses) | 1,100.00 | 1,291.98 |
| Other Income | - | 58.68 |
| Investment income, net of expenses | 720,050.15 | 743,951.23 |
| Unrealized gain (loss) on investments | 403,347.55 | 3,261.44 |
| Change in Net Trust Assets | <u>(1,886,887.85)</u> | <u>(3,009,318.83)</u> |
| | | |
| Net Trust Assets, AA Beginning** | 48,577,497.62 | 51,586,816.45 |
| Net Trust Assets, AA End | <u>\$ 46,690,609.77</u> | <u>\$ 48,577,497.62</u> |
| | | |
| Original Amount Funded, 2011 | | \$ 16,936,352.00 |
| Anadarko Settlement Funding, 2015 & 2016 | | \$ 52,338,018.10 |

**Beginning Net Trust Assets (12/31/2017) and Cash at 12/31/2018 have been restated by \$587.00 for a stale dated check voided after distribution of the 12/31/18 financial statements.

*Cash and Accounts Payable at 12/31/2018 have been restated by \$924.00 for stale checks that have been reissued in May 2019.

*Cash and Cost Center 1.B Property Taxes at 12/31/2018 have been restated by \$395.00 for a returned check for overpayment of property taxes in 2018.

*Cost Centers I.L Property Disposition and Due From Other Funds: Cost of Property Sale Reimbursement at 12/31/2018 have been restated by \$191,669.25 to record the calculated reimbursement due to the Multistate Administrative Account from the 2018 sale of Owned Funded Sites and Owned Service Stations properties.

*2018 Deductions from Net Trust Assets and Accounts Payable have been restated by a total of \$15,593.43 for costs that were incurred in the prior years but not recorded or reclassified until after the distribution of the 12/31/2018 financial statements. These adjustments include: (1) a reallocation of \$8,588.00 from Cost Center 1.E - Project Fees & Expenses to Cost Center 1.L Property Disposition; (2) additional costs of \$24,339.16 being recorded in Cost Center 1.L Property Disposition; and (3) an increase in Cost Center I - Leases Income (Expenses) of \$157.73 for returned payment of lease costs.

See Accountant's Compilation Report

Multistate Environmental Response Trust
Multistate Trust Administrative Account
Schedule of Budget to Actual
For the Quarter and nine Months Ended September 30, 2019

| | Nine Months | | | | |
|--|-----------------|------------------|-----------------|-------------------|-------------|
| | Jul - Sept 2019 | Ended 9/30/19 | Budget | Variance | % of Budget |
| Deductions from Net Trust Assets: | | | | | |
| 1.A · Financial Affairs | \$ 176,266.31 | \$ 517,417.68 | \$ 829,900.00 | \$ (312,482.32) | 62.35% |
| 1.B · Taxes | 30,733.29 | 165,558.93 | 614,800.00 | (449,241.07) | 26.93% |
| 1.C · Site Security & Property Mgmt | 226,355.01 | 439,991.01 | 660,100.00 | (220,108.99) | 66.66% |
| 1.D · Insurance | 8,667.79 | 174,402.27 | 181,800.00 | (7,397.73) | 95.93% |
| 1.E · Project Fees & Expenses | 179,574.60 | 609,946.86 | 846,950.00 | (237,003.14) | 72.02% |
| 1.F · Legal Affairs | 139,176.36 | 349,980.83 | 529,750.00 | (179,769.17) | 66.07% |
| 1.G · Overall Trust IT/Records/Doc's | 5,915.87 | 45,537.02 | 63,500.00 | (17,962.98) | 71.71% |
| 1.K · 3% Other Site Fund Admin | 38,334.54 | 165,895.94 | 329,750.00 | (163,854.06) | 50.31% |
| 1.L · Property Disposition: Internal Costs | 151,065.51 | 447,934.61 | 727,250.00 | (279,315.39) | 61.59% |
| 1.L · Property Disposition: External Costs | 33,309.46 | 94,720.40 | 215,000.00 | (120,279.60) | 44.06% |
| Total Deductions from Net Trust Assets | \$ 989,398.74 | \$ 3,011,385.55 | \$ 4,998,800.00 | \$ (1,987,414.45) | 60.24% |
| Additions to Net Trust Assets: | | | | | |
| 1.I · MST Leases | - | 1,100.00 | - | 1,100.00 | 100.0% |
| Investment Income, less expense | 245,731.39 | 720,050.15 | - | 720,050.15 | 100.0% |
| Unrealized gain (loss) on investments | 14,998.64 | 403,347.55 | - | 403,347.55 | 100.0% |
| Total Additions to Net Trust Assets | \$ 260,730.03 | \$ 1,124,497.70 | \$ - | \$ 1,124,497.70 | 100.0% |

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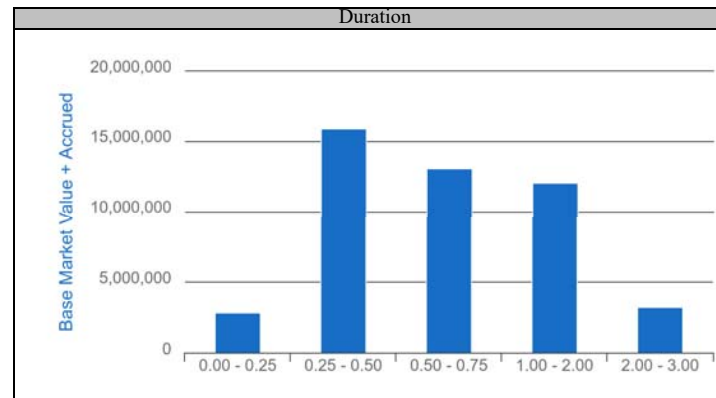
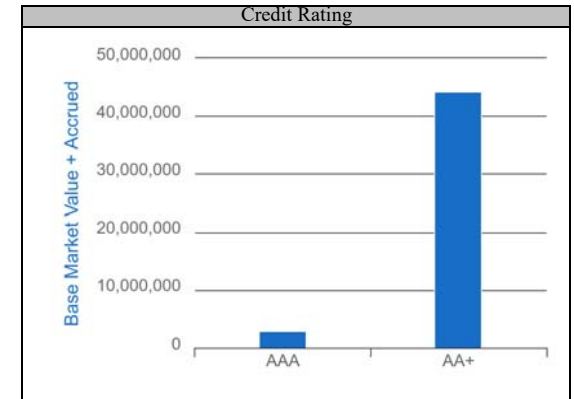
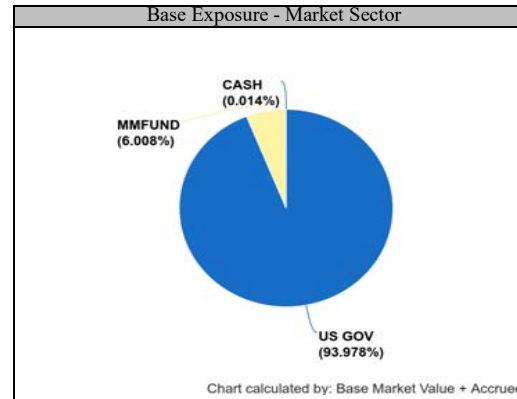
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Account:
Date:

Quarterly Presentation
MS-Trust AA-AGG
07/01/2019 - 09/30/2019

| Cash and Fixed Income Summary | | |
|-------------------------------|--------------|-------------------|
| Risk Metric | Market Value | |
| Cash | 6,568 | |
| Treasury MMFund | 2,824,603 | |
| Fixed Income | 44,181,924 | |
| Total Portfolio | \$ | 47,013,095 |
| Duration | 0.841 | |
| Years to Final Maturity | 0.857 | |
| Yield | 1.849 | |
| Avg Credit Rating | AA+/Aa1/AA+ | |
| Total Interest Income | \$ | 250,376 |

| Issuer Concentration | | |
|------------------------|---------------|--|
| Issuer Concentration | Market Value | |
| United States Treasury | 94.0% | |
| Treasury MMFund | 6.0% | |
| Cash | 0.0% | |
| Total Portfolio | 100.0% | |

| Compliance Overview | | |
|---------------------|------------|--|
| Status | Compliant | |
| As of | 09/30/2019 | |



- 1: * Grouped by: Issuer Concentration
2: * Groups Sorted by: % of Base Market Value + Accrued